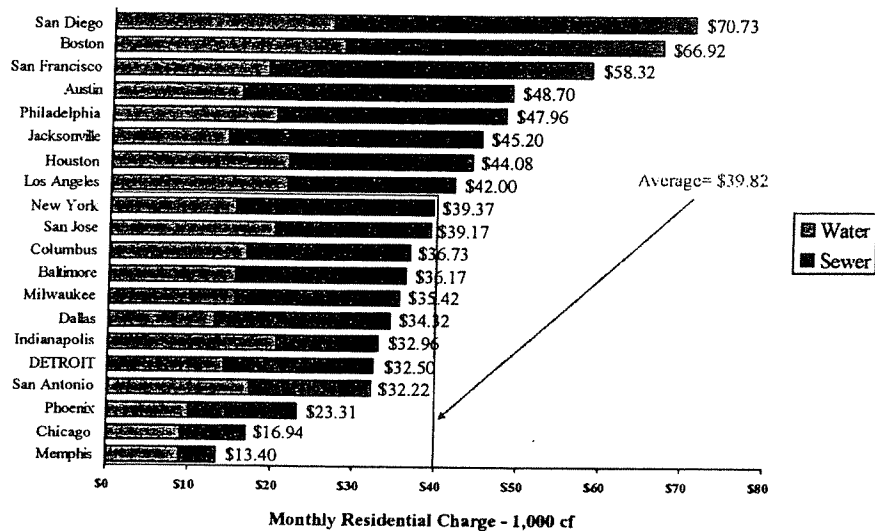


DWSD Retail Rate Comparison



This argument is persuasive, however, it overlooks some obvious advantages that DWSD has come to rely on. Detroit is located immediately adjacent to a near infinite supply of very clean water that moves very rapidly and has a tremendous assimilative capacity. This makes treating drinking water and discharging treated wastewater much easier than is experienced in the cities cited in their comparison. Most of the cities presented on their web site are located where fresh water is scarce. This, of course, adds to the cost of treatment. These communities also discharge to sensitive waters. This also adds to costs. Thus, the suburban communities contend that Detroit is using an unfair comparison. Being slightly less costly than a high cost producer is not the same as being an efficient low cost provider. These inefficiencies also limit the ability to direct funds to maintenance and repair of the older infrastructure. By under funding these repairs, the department is hiding the real cost of operation and maintenance and deferring these system costs until such time that an emergency requires higher cost, less efficient repairs.

Information has been requested from the DWSD under the Freedom of Information Act regarding operational budgets and expenses. Procurement, selection and award of hundreds of millions of dollars worth of consulting contracts proceed without "benchmarking" the cost of these services. Construction contracts are regularly extended and/or expanded with no input from the suburban communities. Staffing levels have been an issue of concern when reviewing other water and sewerage plants. These concerns have been detailed in the newspapers for decades and have recently been acknowledged in some DWSD reports (notably the Wastewater Master Plan), but the recommended remedies provided do little to reassure the DWSD customers. Once again, the select committee will recommend a full disclosure